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MAY 13 2005
J. DAVID HORTON, JR.
CLERK OF DISTRICT COURT
BOISE, IDAHO

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

LEADER CAPITAL CORPORATION, and
JOHN E. LEKAS,

Defendants.

Case No. CV OC 0402797D

**ORDER FOR DISMISSAL WITHOUT
PREJUDICE RE: DEFENDANT
JOHN E. LEKAS**

Based upon the stipulation of the parties, the Court being fully apprised in the premises, and good cause appearing therefor;

IT IS HEREBY ORDERED that all claims or causes of action by plaintiff against defendant John E. Lekas arising under the complaint filed in this matter, having been fully resolved and settled, are hereby DISMISSED WITHOUT PREJUDICE as to defendant John E. Lekas. Each party shall bear its own costs and attorney fees.

DATED this 2nd day of May, 2005.

JOEL D. HORTON

Joel D. Horton
District Judge

ORDER FOR DISMISSAL WITHOUT PREJUDICE
RE: DEFENDANT JOHN E. LEKAS - 1

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3 day of May, 2005, I caused a true and correct copy of the foregoing **ORDER FOR DISMISSAL WITHOUT PREJUDICE RE: DEFENDANT JOHN E. LEKAS** to be served by the method indicated below, and addressed to the following:

Lawrence G. Wasden
Joseph B. Jones
Attorney General's Office
State of Idaho
Department of Finance
700 W. State Street, 2nd Floor
P.O. Box 83720
Boise, Idaho 83720-0031

☒ U.S. Mail, Postage Prepaid
☐ Hand Delivered
☐ Overnight Mail
☐ Facsimile

Michael O. Roe
Moffatt, Thomas, Barrett, Rock &
Fields, Chartered
101 S. Capitol Blvd., 10th Floor
Post Office Box 829
Boise, Idaho 83701

☒ U.S. Mail, Postage Prepaid
☐ Hand Delivered
☐ Overnight Mail
☐ Facsimile

MELANIE GAGNEPAIN

Clerk of the Court

SEAL

COPY

NO _____
FILED _____
A.M. _____ P.M. _____

MAY 02 2005

J. DAVID NAVARRO, Clerk
By MELANIE GAGNEPAIN
DEPUTYLAWRENCE G. WASDEN
Attorney GeneralJOSEPH B. JONES
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, ID 83720-0031
Telephone: (208) 332-8000
Facsimile: (208) 332-8099
Idaho State Bar #2768**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR ADA COUNTY**STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

LEADER CAPITAL CORPORATION, and
JOHN E. LEKAS,

Defendants.

Civil No. CV OC 0402797D

JUDGMENT

Defendants LEADER CAPITAL CORPORATION and JOHN E. LEKAS, and the Plaintiff

State of Idaho, Department of Finance (Department) having agreed to resolve the above-captioned
matter by stipulation,

NOW, THEREFORE, THE COURT HEREBY ORDERS, ADJUDGES AND DECREES as

follows:

1. Defendants John E. Lekas and Leader Capital Corporation neither admit nor deny the allegations in Plaintiff's Verified Complaint.
2. Defendant John E. Lekas is dismissed from this suit, *without prejudice*.
3. Defendant Leader Capital Corporation shall pay to the Plaintiff the sum of \$12,825.00, as restitution for the benefit of LaRene Berthelson and James and Betty Porter.
4. Defendant Leader Capital Corporation shall pay to the Plaintiff the additional sum of \$20,000.00, as civil penalties, pursuant to Idaho Code § 30-1442(3)(b).
5. Defendant Leader Capital Corporation shall pay Plaintiff's expert witness fees incurred.
6. Defendant Leader Capital Corporation shall pay the foregoing monetary sums to the Plaintiff within thirty (30) days following the entry of this judgment.
7. INJUNCTIVE RELIEF:

Defendant LEADER CAPITAL CORPORATION is permanently enjoined from engaging in any acts, practices, courses of business, omissions and misrepresentations that would constitute violations of Idaho's securities laws, and any administrative rules or orders promulgated pursuant to those laws. In particular Defendant Leader Capital Corporation is permanently enjoined from:

- A. Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as the securities have been registered with the Idaho Department of

Finance in accordance with the Idaho Uniform Securities Act;

- B. Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as it or any of its representatives have registered with the Idaho Department of Finance as a broker-dealer or salesman for a broker-dealer or issuer, in accordance with Idaho's securities laws;
- C. While engaged in or in connection with the offer, sale or purchase of any security:
- (1) Employing any device, scheme, or artifice to defraud any investors or prospective investors;
 - (2) Making any untrue statement of a material fact or omitting to state a material fact necessary in order to make statements made, in light of the circumstances under which they are made, not misleading;
 - (3) Engaging in any act, practice or course of business which operates, or would operate as a fraud or deceit upon any person;
 - (4) Aiding, abetting, counseling, inducing, or causing any other person to engage in any of the types of conduct described in paragraphs (C)(1), (C)(2), or (C)(3) above.

DATED this 2 day of May, 2005

JOEL D. HORTON

HON. JOEL D. HORTON, District Judge

CLERK'S CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3 day of May, 2005, I served a true and correct copy of the foregoing JUDGMENT upon the following by the designated means:

Michael O. Roe
MOFFATT THOMAS
P.O. Box 829
Boise, Idaho 83701-0829

☒ U.S. Mail, postage prepaid
☒ Hand delivery
☐ Certified mail
☐ Facsimile

Joseph B. Jones
Deputy Attorney General
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

☒ U.S. Mail, postage prepaid
☒ Hand delivery
☐ Certified mail
☐ Facsimile

MELANIE GAGNEPAIN

Deputy Clerk

SEAL

FILE No. 470 04/28 '05 15:56 ID:

FAX:

NO. _____ PAGE 4/10
COPY
APR 29 2005
J. B. JONES, Clerk
CLERK

LAWRENCE G. WASDEN
Attorney General

JOSEPH B. JONES
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, ID 83720-0031
Telephone: (208) 332-8000
Facsimile: (208) 332-8099
Idaho State Bar #2768

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR ADA COUNTY

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

LEADER CAPITAL CORPORATION, and
JOHN E. LEKAS,

Defendants.

Civil No. CV OC 0402797D

STIPULATION

The Plaintiff, the State of Idaho, Department of Finance, Securities Bureau, and the Defendants LEADER CAPITAL CORPORATION and JOHN E. LEKAS, hereby agree and stipulate as follows:

1. Defendants John E. Lekas and Leader Capital Corporation neither admit nor deny the

STIPULATION - Page 1

04/28/2005 THU 17:04 [TX/RX NO 7779] 004

LOCATION:2083855384 1

RX TIME 05/12 '05 15:06

FILE No. 470-04/28 '05 15:56 ID:

FAX:

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allegations in Plaintiff's Verified Complaint.

2. Defendant John E. Leka shall be dismissed from this suit, *without prejudice*.
3. Defendant Leader Capital Corporation shall pay to the Plaintiff the sum of \$12,825.00, as restitution for the benefit of LaRene Berthelson and James and Benny Porter.
4. Defendant Leader Capital Corporation shall pay to the Plaintiff the additional sum of \$20,000.00, as civil penalties, pursuant to Idaho Code § 30-1442(3)(b).
5. Defendant Leader Capital Corporation shall pay Plaintiff's expert witness fees incurred.
6. The foregoing monetary sums shall be paid to the Plaintiff within thirty (30) days from the court's entry of a judgment incorporating the terms of this stipulation.
7. The court shall enter judgment against Defendant Leader Capital Corporation, enjoining it against future violations of Idaho's securities laws, pursuant to Idaho Code § 30-1442.
8. The court shall enter a judgment in this matter, with the form and content of the proposed Judgment, which is attached as Exhibit "A" to this Stipulation.

STIPULATION - Page 2

04/28/2005 THU 17:04 [TX/RX NO 7773] 005

LOCATION: 2083855384 1

RX TIME 05/12 '05 15:06

FILE No.470-04/28 '05 15:57 ID:

FAX:

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DATED this 28th day of April, 2005

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU

By: Marilyn Chastain
Marilyn Chastain, Bureau Chief

APPROVED AS TO FORM:

Joseph B. Jones
Joseph B. Jones, Deputy Attorney General
Date: April 28th, 2005

DEFENDANTS LEADER CAPITAL
CORPORATION AND JOHN E. LEKAS

By: John E. Lekas 4/28/05
John E. Lekas
Michael O. Roe
Michael O. Roe, Attorney for Defendants

APPROVED AS TO FORM:

STIPULATION - Page 3